

SUMMARY *of* PROCEEDINGS



JOINT APPROPRIATIONS COMMITTEE

COMMITTEE MEETING INFORMATION

October 28, 2013
Gateway Building Room 225, Casper College
Casper, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Eli Bebout, Co-Chair
Representative Steve Harshman, Co-Chair
Senator Dan Dockstader
Senator John Hastert
Senator Curt Meier
Senator Drew Perkins
Representative Don Burkhart
Representative Ken Esquibel
Representative Glenn Moniz
Representative Bob Nicholas
Representative Tim Stubson
Representative Sue Wallis

LEGISLATIVE SERVICE OFFICE STAFF

Don Richards, Budget and Fiscal Section Manager
Dawn Agar, Senior Legislative Analyst
Dave Gruver, Legislative Counsel

OTHERS PRESENT AT MEETING

Please refer to Appendix 1A to review the Committee Sign-in Sheets
for a list of other individuals who attended the meeting.

The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at lso@wyoleg.gov. The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at <http://legisweb.state.wy.us>.

EXECUTIVE SUMMARY

The Joint Appropriations Committee met for one day in Casper for two purposes, the first being determination of its recommendation for a K-12 external cost adjustment and the second being discussion of several proposed Committee bill drafts.

CALL TO ORDER

Co-Chair Harshman called the meeting to order at 8:10 a.m. The following sections summarize the Committee proceedings by topic. Please refer to Appendix 1B to review the Committee meeting agenda.

LEGISLATIVE SERVICE OFFICE (LSO) REVENUE UPDATE

Don Richards, LSO Budget/Fiscal Manager, presented the revenue update from the Consensus Revenue Estimating Group (CREG) and the corresponding fiscal profile (Appendix 2A and 2B). The overall difference between the January 2013 and October 2013 revenue forecasts for the FY2013-2014 and FY2015-2016 biennium, combined, is \$17 million, which is essentially flat.

Realized capital gains generated by the State Treasurer's Office totaled more than \$578 million across all funds in FY2013. Those distributed gains, by law, have filled up all of the reserve accounts and deposited \$160 million into the corpus of the following permanent funds: Permanent Wyoming Mineral Trust Fund (\$102 million); Common School Account (\$39 million); Excellence in Higher Education (\$2.5 million); and Hathaway Endowment Account (\$17 million).

Mr. Richards cautioned that while revenues are stable now, more revenues will be necessary if the Legislature intends to sustain its spending on school capital construction. Total appropriations for FY 2013-2014 were \$739 million; only \$445 million is anticipated in revenue for FY2015-2016.

POTENTIAL LEGISLATION FOR COMMITTEE SPONSORSHIP

COMMUNITY COLLEGE MAJOR MAINTENANCE, 14LSO-0086.C2 (APPENDIX 3)

Dave Gruver, LSO Legislative Counsel, presented the bill, which modifies the provisions for major maintenance requests and distributions at Wyoming's community colleges. Dennis Hickey, Department of Administration and Information (A&I) General Services Division Construction Management team member, requested the proposed reporting date in W.S. 21-18-225(f) and (g) be changed from August 1 to June 1. Public comment was invited, however none was heard. The Committee voted to sponsor the bill as a Senate File with four minor amendments.

COURT SECURITY FUNDING, 14LSO-0166.W5 (APPENDIX 4)

Chief Justice Marilyn Kite offered a video and testimony in support of funding for statewide court security, which was the extent of public comment. Dave Gruver, LSO Legislative Counsel, presented the bill, which would appropriate matching general funds for a court security assistance fund. The Committee voted to sponsor the bill as a Senate File with limited amendments.

K-12 EXTERNAL COST ADJUSTMENT (ECA)

Dave Nelson, LSO School Finance Manager, explained the monitoring process of the education resource block grant model. Matthew Willmarth, LSO School Finance Analyst, introduced a summary of K-12 Wyoming funding model cost-basis monitoring reports (Appendix 5A), which includes the following:

- WY Funding Model Resources: Cost-Based Funding Level vs. Legislative Funding Level
- Monitoring School District Human Resource Cost Pressures (Dept. of Workforce Services)
- Certification of DWS analysis by Dr. Christiana Stoddard

- Continued Review of Educational Resources in WY Report Update

Mr. Willmarth explained the difference between the cost-based funding levels recommended by the consultants and the legislative funding levels provided to school districts. The Committee directed the expenditure lines in the education section of the fiscal profile (goldenrod) be categorized by state administration, model-related funding, or funding to districts outside of the education resource block grant model.

Tom Gallagher, Department of Workforce Services (DWS), reviewed the Monitoring School District Human Resource Cost Pressures document and tables (Appendix 5A, Tab B). Tony Glover, DWS, reported there has been little change in cost pressures since 2010. He also explained that the data collection process moved from the consultant to DWS so that one systematic data collection approach occurs from year to year. The Committee requested that for future presentations the agency create an executive summary of the information presented.

Dr. Christiana Stoddard, consultant, presented a study of Indicators of Cost Pressures for Teacher Salaries in Wyoming (Appendix 5B). In sum, to the extent cost pressures exist, they create difficulty in retaining and recruiting quality teachers.

Jed Cicarelli, Department of Education, presented the Review of Educational Resources in Wyoming Report update. Findings include:

- Elementary schools employ fewer teachers than provided for in the funding model
- Large elementary schools employ a greater number of aides than generated by the funding model
- School districts do not employ tutors to the extent allocated by the funding model
- Wyoming average teacher salaries remain among the highest in the nation
- Wyoming expenditures per student are among the highest in the nation
- Funding for non-staff categories in the funding model exceed reported actual expenditures

Dave Nelson, LSO School Finance Manager, presented an explanation of the cost indices for the four major funding model components (Appendix 5C) and summarized the recommendations of the Joint Education Committee:

- the current level of Legislative funding is supported through the next biennium;
- that cost indices outlined in the memo to the Joint Appropriations Committee are maximums contingent on actual figures not yet determined;
- adjustments to the model will compound;
- this recommendation is to provide for an ECA in school year 2014-15 and another ECA in school year 2015-16;
- recalibration occurs for school year 2016-17; and
- there has not been an ECA since the last recalibration in 2010.

The following people spoke in favor of the JEC recommendation for an ECA:

- Donna Little-Kaumo ,Sweetwater County School District #2 Superintendent and Pete Brandjord, Business Manager
- Dom Dihle, Campbell County School District #1 Business Manager
- Rod Kessler, Johnson County School District #1 Superintendent
- Mark Stock, Laramie County School District #1 Superintendent
- Marty Kobza, Sheridan County School District #1 and Jeremy Smith, Business Manager
- Dan Espeland, Converse County School District #1 Superintendent

The Committee voted to recommend an ECA to the education resource block grant model for the 2014-15 school year only, based on the indices provided, which would be carried forward in the education resource block grant model in future years.

COMMUNITY JUVENILE SERVICES

Brian Christensen, Natrona County Assistant District Attorney, demonstrated the juvenile justice data collection system currently piloted in Casper and provided copies of sample reports (Appendix 6). The Legislature's Joint Judiciary Committee is considering statewide rollout of the program.

POTENTIAL LEGISLATION FOR COMMITTEE SPONSORSHIP (CONT.)

STATE EMPLOYEES AND OFFICIALS GROUP INSURANCE – ELIGIBILITY, 14LSO-0088.C1 (APPENDIX 7)

Dave Gruver, LSO Legislative Counsel, presented the bill, which modifies the eligibility requirements for state employee health insurance by increasing the work hours required from 80 per month to 120. Ralph Hayes, A&I Human Resources Division Group Insurance Administrator, explained that this change would make the state health insurance plan requirements consistent with many school districts' health plan requirements, thereby making the state plan more attractive for enrollment. The bill was moved but died for lack of a second.

STATE EMPLOYEES AND OFFICIALS GROUP INSURANCE – MEMBERSHIP, 14LSO-0087.W1 (APPENDIX 8A)

Dave Gruver, LSO Legislative Counsel, presented the bill, which modifies provisions for voluntary participation in the state health insurance plan by allowing irrigation districts and boards of cooperative educational services (BOCES) to join. Mr. Gruver referred the Committee to his memo dated October 25, 2013 for background information (Appendix 8B). During the public comment period, Sandy Barton from Fremont County BOCES voiced her support for statewide BOCES participation in the state health insurance plan.

The Committee voted to sponsor the legislation as a House Bill with the following modifications:

- remove all references to irrigation districts, making the bill applicable to BOCES facilities, only
- Page 18, lines 7-16: Delete

The Committee suggested the possibility of allowing county governments to join the state health insurance plan be considered by JAC or Management Council as a potential topic of study for the next interim.

FINANCIAL ADVISORY COUNCIL MEMBERSHIP, 14LSO-0080.C1 (APPENDIX 9)

Dave Gruver, LSO Legislative Counsel, presented the bill, which modifies membership of the financial advisory council by adding the state chief information officer. There was no public testimony, and the Committee voted to sponsor the draft legislation as a House Bill.

PUBLIC EMPLOYEES PENSION PLANS – CONTRIBUTIONS, 14LSO-0072.W5 (APPENDIX 10A)

Ruth Ryerson, Wyoming Retirement System (WRS) Director and Steve Sommers, Chairman of the Retirement Board, presented the WRS Report (Appendix 10B), which responded to several questions posed by the Committee at its June, 2013 meeting, as well as summarized the Board's response to the proposed pieces of legislation.

Dave Gruver, LSO Legislative Counsel, presented the bill, which increases the employee and employer contributions under certain state pension plans. The Committee voted to sponsor the legislation as a House Bill with one modification: to implement a 1.5% increase to the state retirement plan (commonly referred to as the "big plan") with a pro rata increase to all of the other state plans, beginning in FY2015.

FIREMEN'S PENSION PLAN BENEFITS, 14LSO-0071.W1 (APPENDIX 11)

Dave Gruver, LSO Legislative Counsel, presented the bill, which repeals provisions for pension increases after retirement. The Committee received public comment in opposition to the bill from retired Casper firefighters BJ McCarre, Steve Shoemaker and Jim Reed. George Parks of the Wyoming Association of Municipalities also expressed concerns over financing options that would adversely impact municipalities.

The Committee chose to lay the bill back in order to examine future-payment scenarios and charged WRS to develop options for presentation in November.

LAW ENFORCEMENT PENSION PLANS, 14LSO-0074.W4 (APPENDIX 12)

Dave Gruver, LSO Legislative Counsel, presented the bill, which closes the Wyoming state highway patrol, game and fish warden and criminal investigator retirement program to new membership and modifies provisions of the law enforcement plan for new employees. Colonel John Butler, Wyoming Highway Patrol, offered public comment. The Committee chose to lay the bill back until its November meeting and charged the WRS and JAC retirement board members to work together to determine payback provisions for unfunded liability of the plan.

EMERGENCY MEDICAL TECHNICIAN PENSION PLAN, 14LSO-0073.C1 (APPENDIX 13)

Dave Gruver, LSO Legislative Counsel, presented the bill, which provides funding of the volunteer Emergency Medical Technician pension plan from fire insurance premium taxes. The Committee heard public comments in favor of the change from Rob McNealy of Sundance, Britt Wilson of Glendo and Mark Meyer of EMS Advocates. The Committee voted to sponsor the draft legislation, without amendment, as a House Bill.

REPORTS TO THE LEGISLATURE, 14LSO-0090.W2 (APPENDIX 14)

The Committee elected to lay this bill back.

MEETING ADJOURNMENT

There being no further business, Co-Chair Harshman adjourned the meeting at 6:30 p.m.

Respectfully submitted,

Senator Eli Bebout, Co-Chair

Representative Steve Harshman, Co-Chair

Committee Meeting Materials Index

Appendix	Appendix Topic	Appendix Description	Appendix Provider
1A	Committee Sign-In Sheet	Lists meeting attendees	Legislative Service Office
1B	Committee Meeting Agenda	Provides an outline of the topics the Committee planned to address at meeting	Legislative Service Office
2A	Revenue Update	Consensus Revenue Estimating Group, October 2013 Report	Legislative Service Office
2B	Revenue Update	Fiscal Profile (Goldenrod)	Legislative Service Office
3	Community College Major Maintenance	Draft Bill: 14LSO-0086.C2	Legislative Service Office
4	Court Security Funding	Draft Bill: 14LSO-0166.W5	Legislative Service Office
5A	K-12 External Cost Adjustment	Monitoring the Cost-Basis of the K-12 Wyoming Funding Model Report	Legislative Service Office
5B	K-12 External Cost Adjustment	Indicators of Cost Pressures for Teaching Salaries in Wyoming	Dr. Christiana Stoddard, Consultant
5C	K-12 External Cost Adjustment	Illustrative Tables for ECA Discussion Purposes	Legislative Service Office
6	Community Juvenile Services Joint Powers Board - Update	Summary of Pilot Program and Sample Reports	Brian Christensen, Natrona County ADA
7	State Employees and Officials Group Insurance - Eligibility	Draft Bill: 14LSO-0088.C1	Legislative Service Office
8A	State Employees and Officials Group Insurance - Membership	Draft Bill: 14LSO-0087.W1	Legislative Service Office

8B	State Employees and Officials Group Insurance - Membership	Background Memo for Expansion of State Plan	Legislative Service Office
9	Financial Advisory Council Membership	Draft Bill: 14LSO-0080.C1	Legislative Service Office
10A	Public Employee Pension Plans - Contributions	Draft Bill: 14LSO-0072.W5	Legislative Service Office
10B	Public Employee Pension Plans - Contributions	Response to JAC Inquiries and Draft Legislation	Wyoming Retirement System
11	Firemen's Pension Plan Benefits	Draft Bill: 14LSO-0071.W1	Legislative Service Office
12	Law Enforcement Pension Plans	Draft Bill: 14LSO-0074.W4	Legislative Service Office
13	Emergency Medical Technician Pension Plan	Draft Bill: 14LSO-0073.C1	Legislative Service Office
14	Reports to the Legislature	Draft Bill: 14LSO-0090.W2	Legislative Service Office
15	Miscellaneous	Letter in Support of K-12 ECA	Barry Bryant, Big Horn County School District #3